

# The Retirement Connection

A newsletter for retired New Hampshire Retirement System members • Spring 1999 • Number 1



## COST-OF-LIVING ADJUSTMENTS: New Eligibility Requirements

Effective July 1, 1999, eligible retired employee, teacher, firefighter and police officer members will receive a 4% cost-of-living adjustment (COLA). Chapter 287, Laws of 1998, changed the eligibility requirements for receiving COLAs. Under the old law, retired members (or beneficiaries of such members) must have been receiving a pension from NHRS for at least twenty-four months as of July 1st of a year in which a COLA was granted in order to be eligible for a COLA. Under the new law, effective July 1, 1999, retired members (or beneficiaries of such members) who receive a pension from NHRS for at least twelve months as of July 1st of a year in which a COLA is granted are eligible for a COLA. The COLA will be retroactive from July 1st of that year, back to the retired member's most recent retirement anniversary date.

For example, a member who retired on January 1, 1975 will be eligible for the 4% COLA on July 1, 1999, which will be retroactive from July 1, 1999 (the date that the COLA becomes effective) back to January 1, 1999 (the retired member's most recent retirement anniversary date). A member who retired on July 1, 1998 will be eligible for the 4% COLA on July 1, 1999 with no retroactive payment, because July 1, 1999 will be the member's most recent retirement anniversary date. A member who retired on January 1, 1999 will *not* be eligible for the COLA on July 1, 1999. That member will be eligible for a COLA on July 1, 2000 (if a COLA is granted), which will be retroactive from July 1, 2000 back to January 1, 2000.

Members who were not eligible for a COLA on July 1, 1998 under the old law, because they had not been retired for at least twenty-four months, will receive a "catch up" retroactive COLA payment. Members who retired on or after August 1, 1996 but before July 1, 1998 will receive the 4% COLA on July 1, 1999, retroactive from July 1, 1999 back to the date that they became eligible to receive a COLA under the new 1998 law. For example, a member who retired on August 1, 1996 was not eligible for a COLA on July 1, 1998, because he had not been retired for at least twenty-four months as of July 1, 1998. That member will be eligible for the 4% COLA on July 1, 1999, which will be retroactive

### WELCOME TO THE FIRST ISSUE OF

## *The Retirement Connection!*

This newsletter has been created for retired employee, teacher, firefighter and police officer members as an effort to keep retired members "connected" to NHRS news. This newsletter provides *general* information only and reflects information available as of April 1, 1999. Retired members are encouraged to contact an NHRS representative with specific questions. In the event of any conflict between this publication and the laws, rules and regulations which govern NHRS, the laws, rules and regulations will prevail.

**New Hampshire Retirement System (NHRS)**  
**4 Chenell Drive, Concord NH 03301-8509**  
**Phone: (603) 271-3351 • FAX: (603) 271-6806**

**Visit our web site:**  
**[www.state.nh.us/retirement](http://www.state.nh.us/retirement)**

back to August 1, 1997 (the date on which the member had been retired for twelve months). Refer to the chart below and the charts on page 2 for more examples of COLA eligibility.

Retired members who are eligible for the 4% COLA on July 1, 1999 will see the *permanent* 4% addition to their pension in their pension check issued by NHRS on the last business day in July 1999 (July 30th) and in each pension check issued thereafter. Retired members who are eligible for a retroactive COLA payment will see the retroactive payment amount in their pension check issued on July 30, 1999. Therefore, retired members who receive a retroactive COLA payment will notice that the amount of their pension check issued in July will be greater than the amount of subsequent pension checks, since the retroactive COLA payment is a "one-time" payment. Also, an increase in the amount of a pension check, as the result of a COLA and any retroactive payment, will impact the amount of federal income tax withholding.

Inquiries regarding COLAs should be directed to an annuity representative at NHRS by calling (603) 271-3351.

### Eligibility for The 4% COLA – July 1, 1999 (Retired members who were eligible for the 7/1/98 COLA)

MEMBER'S EFFECTIVE DATE OF RETIREMENT	DATE WHEN COLA WILL BECOME EFFECTIVE	COLA RETROACTIVITY DATE
March 1, 1970	July 1, 1999	March 1, 1999
November 1, 1993	July 1, 1999	November 1, 1998
July 1, 1996	July 1, 1999	no retroactive payment

### Eligibility for The 4% COLA – July 1, 1999

*(Retired members who were not eligible for the 7/1/98 COLA)*

MEMBER'S EFFECTIVE DATE OF RETIREMENT	DATE WHEN COLA WILL BECOME EFFECTIVE	COLA RETROACTIVITY DATE
September 1, 1996	July 1, 1999	September 1, 1997
February 1, 1997	July 1, 1999	February 1, 1998
July 1, 1997	July 1, 1999	July 1, 1998

### Eligibility for A COLA after July 1, 1999

*(If a COLA is granted by the NH Legislature)*

MEMBER'S EFFECTIVE DATE OF RETIREMENT	DATE WHEN COLA WOULD BECOME EFFECTIVE, IF GRANTED	COLA RETROACTIVITY DATE
August 1, 1998	July 1, 2000	August 1, 1999
July 1, 1999	July 1, 2000	no retroactive payment
November 1, 1999	July 1, 2001	November 1, 2000

### MEDICAL SUBSIDY RATES INCREASE



Pursuant to RSA 100-A:52, the medical subsidy rate for eligible retired Group II members (firefighters and police officers) increases by 8% on July 1st of each year. The medical subsidy is paid by NHRS toward the cost of health insurance for the retired member and the retired member's qualified spouse and qualified dependent children with a disability. NHRS makes the medical subsidy payment directly to the retired member's former employer or the health insurance carrier; NHRS does not make the payment to the retired member.

The medical subsidy rates are listed in the chart below and are based on NHRS' fiscal year (July 1st through June 30th).

Type of Plan	1998-1999	1999-2000
1 Person	\$ 187.88	\$ 202.91
2 Person	\$ 375.76	\$ 405.82
1 Person – Medicare supplement	\$ 118.47	\$ 127.95
2 Person – Medicare supplement	\$ 236.94	\$ 255.90

New Hampshire Retirement System  
4 Chenell Drive  
Concord, NH 03301-8509  
(603) 271-3351

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